

BEAVER CREEK LODGE

Beaver Creek Lodge
Condominium Association, Inc
Annual Meeting 2024

Approved Meeting Minutes

Introduction, Roll Call, and Proxy Review

On April 6, 2024, at 3 PM (MST), the Beaver Creek Lodge Condominium Association, Inc. ("BCLCA") called the Annual Meeting to order. The meeting was held both physically and online and was presided over by the Association's president, Mark Kessler.

Attendees

Mark Kessler – Hotel Director and President

Paul Jeppson – General Manager

Meg Welsh – Wear Travers Perkins

Fravy Collazo – CFO Kessler Collection

Pete Wu- President of Hospitality Operations

Jim Clancy – Beaver Creek Resort Co., Commercial Director

Steven Broadbent –Hotel Director 301 and Vice President

Madeline Miller –Hotel unit owner 401

Alejandro Tame – Hotel unit owner 308

Call in via phone call.

Paul Jardis

Chrisy Rediehs– Residential Director, unit 506

Gerard Chrabaszc–Hotel unit owner 305

Proof of Meeting Notice and Confirmation of Quorum

Paul Jeppson reported that everyone who is a member of the association has received the packet with the notice of the meeting on April 1st. The number of members present was 55 in total, which is above the quorum requirement of 40% since they were present in person, by proxy, or over the phone.

Approval of the 2023 Annual Meeting Minutes

The minutes from the Association's Annual Meeting held in April 2023 were reviewed, and changes were made to reflect Paul Jardis and Chrisy Rediehs' attendance. With no further amendments, the minutes were approved.

Lodge Operations for 2023 and plans for 2024 Presentation.

Lodge Operations for 2023 and Plans for 2024 Presentation Paul Jeppson reported that 2023 was a successful year for the Association, with high service levels and well-maintained units. Despite inflation impacting expenses, especially utilities, the team managed the challenges well. Staffing issues, though still present, have improved compared to the previous year, thanks to effective management.

In terms of the budget, the Consumer Price Index (CPI) increased by 6.04%, affecting overall expenses and assessments. Gas expenses rose significantly, adding \$53,000 to costs, due to cooler weather and a gas meter change by Xcel Energy, which revealed previous underpayments.

The elevator service contract was switched to Otis, a move expected to save 20% in costs for 2024. Significant maintenance and capital replacements were undertaken, including replacing roof tiles at a cost of \$46,000, with future cost reductions expected from a new contractor. For the first time in 30 years, the main line sewers and vertical stacks were jetted, addressing plumbing issues.

The pool deck membrane, damaged by winter weather, will be redone under warranty. Additionally, air-conditioning units, which were over 20 years old, were replaced in both the front and back of the house. Roofing issues in specific units were largely resolved, with only minor ongoing issues. The garage door was replaced, and new pool furniture was added, enhancing the outdoor space.

Election of Board of Directors

Meg Welsh an attorney from Wear Travers Perkins explained the election process, noting that this year was unique due to multiple candidates for one of the Board seats. Under the Association's bylaws, Board members are elected by a majority or plurality of votes. Voting is based on one vote per condominium unit. Two Board seats were open: the Commercial Unit Director seat and the Hotel Unit Director seat.

Jim Clancy, the current Commercial Unit Director, ran for another term. With no additional nominations for this seat, the election proceeded by ballot to allow for any write-in candidates.

For the Hotel Unit Director seat, four candidates were running: Darrell Songer, Madeleine Miller, Oliver McBrien, and Melissa Lenz. No additional nominations were received from the floor.

Ballots were collected from in-person attendees, and proxy votes were submitted in advance by phone participants. A committee of volunteers, including Steve Broadbent and Alejandro Tame, was assembled to count the votes, as required by Colorado law.

The results showed that Jim Clancy was re-elected as Commercial Unit Director, and Darrell Songer was elected as the new Hotel Unit Director. Steve Broadbent mentioned that his term would end in a year, and he would not seek re-election, indicating another Board seat would be open next year.

Operating Fund and Reserve Fund Budgets

The 2024 Association budget, including the operating fund budget and the reserve fund budget, was distributed via email on April 1st. The budgets were approved with adjustments by the Board in December. Fravy Collazo, the CFO of the Association's property manager, presented the budget. According to the declaration, assessments are determined by owner class and are broken down into electric, gas, operating, and reserve funds. Electric and gas assessments are allocated to owners who use those utilities based on projected expenses. Utility assessments were based on projected expenses, with common area utility costs included in the operating budget. Operating assessments for commercial and residential owners increased by 6% based on the Denver, Aurora, Lakewood CPI index, while hotel owners' assessments were based on budgeted expenses.

The budgeted operating expenses for owners in 2024 are approximately \$1.5 million. An annual reserve assessment of approximately \$386,000 was approved, based on the reserve study and management input. The 2024 budget included a credit to commercial owners for their share of prior year expenditures on limited common elements, amounting to about \$6,000, with corresponding assessments to residential and hotel owners. Budgeted reserve expenses for 2024 were approximately \$317,000. The \$2.5 million loan from MidFirst Bank was included in the budget, with \$400,000 in special assessment payments for capital projects.

Paul Jeppson discussed the capital improvement budget for 2024, highlighting projects such as updating the reserve study, repairing the tile roof system, addressing plumbing issues, and various other maintenance and upgrade tasks. He noted that some projects, like air conditioning for office staff and hot tub recoating, had been completed or were planned for the year.

A vote was called to ratify and approve the 2024 budget as presented. The motion passed unanimously. A resolution was also approved to segregate all reserve investments for capital replacements for the year ended December 31, 2023, in a separate bank account, as required by tax regulations. This motion passed unanimously. All budgets were ratified and approved.

Review of Old Business and New Business

Jim Clancy provided an overview of the winter season at Beaver Creek Resort, noting a slow start due to low snow levels and weather disruptions but a strong recovery with normal snow

levels and high visitor numbers. The resort achieved the highest net promoter scores, particularly during Texas spring break week.

Clancy discussed new initiatives, including the opening of the Hawks Nest Cabin, a dedicated teen space with amenities such as a ski simulator and mocktail bar, and significant renovations planned for Creekside Park. The park will feature a new pavilion, lawn area, and playground, with work starting soon and expected to be completed before next winter.

Additionally, the resort continues to improve lighting in collaboration with the Metro district and A Corps building and has booked talent for summer events, including Beaver Creek Unplugged and a new Saturday night concert series.

He also highlighted ongoing forest mitigation efforts to enhance fire safety, funded by a matching grant this year.

Autograph has been a great improvement to the Beaver Creek Lodge and how well the Autograph units in the building are doing.

Great feedback was provided from the Bonvoy guests, primarily, where we're getting our GSS scores. In the '22 versus '23, the GSS scores in '23 were 13 points higher than they were in '22.

Last year, one of the real successes was upgrading the wine tasting that's held in the gallery with s'mores. This is one of the highlights for guests staying with us in the Winter.

There was an increase in visits from families with young children, suggesting the potential for repeat guests in the future.

Adjournment

The meeting concluded with no additional new business brought forward, and a motion to adjourn was made, seconded, and approved.